The foreign investment climate is determined by a large number of factors relating to the state of the domestic economy, perceptions of the policy framework and direcion of policy, the state of the world economy and the political atmosphere in the country. Government determined efforts at investigating the scandal and determination in taking to task the elements involved in the stock market scandal, together with continued efforts at reform of the stock market have instilled confidence in the minds of foreign investors.

India's foreign debts

918. SHRI ANANT RAM JAISWAL: Will the Minister of FINANCE be pleased to state:

(a) what was India's debt, including interest as on the 1st January, 1993, and what was its rate of increase during the last five financial years;

(b) whether the foreign debt position as on the 1st January, 1993 makes India one of the largest debtors among the developing countries, if so, what is its rank;

(c) what was India's principal repayment and interest payments during the current financial year upto 31st December, 1992 and by when the full repayment or principal and interest will be completed; and

(d) what was the net direct foreign investment in India during the decade 1981-82 to 1991-92

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) As per latest available information, India's total external debt including NRI's deposits and short term debt is estimated to be U.S. dollar 72672 million and Civilian Rouble debt of Rouble 978 million as on 30th September, 1992. Besides there was GCA and Rouble defence debt of US dollar 2176 million and Rouble 8899 million respectively as on March 31, 1992. Information for the later period is not available as the accounts for the period are not yet finalised. The percentage increase in debt outstanding in dollar terms over previous years was 8.8 per cent as on March 1990, 8.1 per cent as on March 1991, 6.6 per cent as on March 1992, and it is estimated to increase by 5.2 per cent as on September, 1992.

(b) Although in terms of outstanding external debt, India is one of the largest debtors among the developing countries, in terms of debt service payments it does not rank so high. The World Bank ranks India among Moderately Indebted Low-Income Countries (MILICS).

(c) The repayment of principal and payment of Interest during April-December 1992 is estimated to be Rs. 6846 crores and Rs. 5155 crores respectively. According to the terms and conditions of loans contracted so far, the maximum maturity period existing foreign loans is 50 years including a grace period of ten years.

(d) The cumulative net capital inflow in the form of foreign assistance (net of repayment) was Rs. 33972 crores during the decade 1981-82 to 1991-92.

Impact of liberalisation on economy

919. SHRI SURESH PACHOURI:
SHRI IQBAL SINGH:

Will the Minister of FINANCE be pleased to state:

(a) what has been the impact of the liberalisation measures on the economy;

(b) whether Government are satisfied with the performance of the economy during the year 1992-93; and

(c) what achievements have been made in the sphere of (i) employment and (ii) poverty eradication?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Liberalisation of the economy is an ongoing pro-